

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4511
ANSWERED ON:23.12.2005
REFUND OF DUTY
Singh Shri Prabhunath

Will the Minister of FINANCE be pleased to state:

- (a) whether Numaligarh Refinery was entitled to get refund of duty paid on mineral based goods in pursuance of issue of notification dated 8.7.1999 as amended on 9.2.2000 while refund was withdrawn by another notification dated March 1, 2002 with retrospective effect;
- (b) if so, the reasons for non-recovery of Rs.748.04 crore refunded to M/s Numaligarh Refinery in Shillong Commissionerate on clearances of petroleum products between February, 2000 and February 2002 alongwith interest thereon;
- (c) the details of all such other companies who were also granted refunded amount with interest are pending; and
- (d) the steps taken to recover the amount ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) Notification No.33/99-CE dated 8.7.99 was amended vide Notification No.3/2000-CE dated 9.2.2000, to allow the benefit of refund, on the goods cleared from M/s Numaligarh Refinery Ltd. M/s NRL was getting refund under the said Notification upto 28.2.2002. Notification 33/99-CE was further amended retrospectively w.e.f. 8.7.99 vide Section 142 of the Finance Act 2002 to exclude the petroleum products from the exemption as was incorporated in the schedule of the Notification in the relevant period. M/s NRL was beneficiary by virtue of the amending Notification No.3/2000-CE above, which was not withdrawn by the Sec. 142 of the Finance Act 2002 but by a separate Notification No.11/2002 dated 1.3.2002, which was not given the retrospective effect. The benefit of refund was available to M/s NRL during the material period and the question of recovery of Rs.748.04 crore does not arise.

On the objection raised by the C&AG of India observing that an amount of Rs.667 crore was recoverable from M/s NRL as petroleum products were kept out of purview of Notification No.33/99, the Board has accepted the Department's view as mentioned above and not admitted the audit objection raised by the C&AG.

- (b) Does not arise.
- (c) Except Numaligarh Refinery there is no such case.
- (d) Does not arise.